Subject No. 5.

(*a*) Supply of Kannada copies of the Budget two months prior to the Birthday Session of the Assembly.

(*b*) Power to the Assembly to finally pass the Budget.

Mr. K. Rangiengar, Tumkur Municipality.

Mr. K. Rangiengar.—Many inconveniences and delays will be obviated if the State Budget is once for all passed in the Representative Assembly. This Assembly is sometimes called the Mysore Parliament and if some rights of local Parliament are given to us, the country will greatly appreciate the honor. It is but right that the Mysore finances should be discussed by the Mysore Parliament and voted by it. If this is done, any scope for future discussions on the same will disappear. It is true that the budget is discussed in the Legislative Council. But that Council is only a minor body which cannot be said to represent the peoples' voice under its existing constitution. On the other hand, the Representative Assembly is a more comprehensive body, the members of which are without exception elected.

Dewan.—Some of your representatives are also in the Legislative Council where the Budget is fully discussed and passed.

Mr. Rangiengar—The Legislative Council does not contain as many representatives of the people as does this Assembly. It is therefore desirable to give the power of passing the Budget to this Assembly.

Dewan—Will be noted for consideration.

Subject No. 6.

Increasing the rate of interest on Charitable Endowment Funds.

Messrs. (1) K. T. Seshaiya, Belur Taluk, (2) Ramachandra Rao Sindhia, and K. B. Puttappa, Mysore Chamber of Commerce.

Mr. K. T. Seshaiya.—The principle on which charitable endowments were accepted by Government formerly was that these endowments should receive more interest than private deposits. Hence, they were given one per cent more interest than private deposits in the past. Latterly, private deposits are given 5 per cent interest and loans commanded 6 per cent or even more while interest on charitable endowments has remained at the low figure of 4 per cent.

It is argued by western economists that the principle of paying interest on the endowments made by private individuals for charities, is not right, as you cannot utilize the taxes paid by the people towards such an object. This argument cannot be supported, as it is based on the principle that the generality of the people do not get any benefit out of the endowments. If this were so, then public hospitals are not sometimes used by people who would like to seek Unani and Ayurvedic medicines instead, and on that account taxes paid by the people should not also be utilized for the up-keep of hospitals. It is therefore always a right principle that whenever Government frames a law or shows a concession, it should be appli-

cable to all people irrespective of caste or creed and irrespective of the fact that some people may not be able to take advantage of the concessions.

Many people who have made endowments are now dead and we are now solely dependent on Government for the maintenance of the charities founded by them. The times have changed, the cost of necessaries has increased tenfold and unless Government come forward to help with enhanced interest on endowments, the charities cannot prosper and the original intention of the donor accepted by the Government then, will be frustrated. Government need not give enhanced interest permanently. As a last resort, as long as private loans are given 5 per cent, the endowments may also be given at least that rate of interest. The present difficulty is that endowments were made at various times in the past with varying rates of interest as they prevailed at the time the endowments were accepted, and in many instances, the income from the interest is too little to carry out the object of the donors. Higher interest must be given on these endowments and charities promoted.

This subject has been coming up for the past three years and public feeling is very strong in regard to the necessity for enhancing the rate of interest.

Financial Secretary to Government.—Endowments are of two kinds—one invested at a permanent rate of interest which cannot be altered under any circumstances; and the other invested for definite periods at specified rates of interest. These latter can be re-invested after their period is over and it may be possible to allow a higher rate of interest on them at the time.

Mr. K. T. Seshaiya—Government must be accommodating in favour of the people. The State is an organic body and must suit itself to changing conditions. It is unlike a commercial bank which is governed by definite rules and regulations. The work of the State is dependent on traditions and rules and regulations should be subservient to the State rather than the State to the rules. The State is for the common good of the people and there should be no statutory limitation for doing public good. In this view, it is open to Government to change the rules so as to accommodate the people immediately in this respect. Government utilize the money that is endowed by people and they invest it at a higher rate of interest.

In other words, they make a profit on the endowments starving the charities on the ground of rules and regulations. This should not be done as it is the duty of Government to see that the charities are properly carried on according to the original intentions of the donors.

Mr. Ramachandra Rao Sindhia.—We can get 5½ and 6 per cent on investments in the Bank. If Government are more accommodating by allowing say 6 per cent according to the market rate, it will give a greater incentive to the people to found more charities in future.

Chief Secretary to Government.—The amounts may be invested in the Mysore Loan which carries more interest.

Mr. Paramasivaiya.—Suitable facilities are not given even to do this, when we ourselves offer to invest Trust Funds in the Mysore Loan. We experienced such a difficulty in connection with the Lingayet Education Fund. We want encouragement to found more charities. The rate of interest on them must be increased. When Government are prepared to allow 6¼ per cent on loans floated by them, why not extend the same concession to Endowment Funds ?

Mr. Ramachandra Rao Sindhia.—Nearly a lakh of rupees comes up for investment for charitable purposes. People have a responsibility to manage the charities, which they cannot adequately discharge in the absence of a fair return to the money given by them. The times have changed and the present income is scarcely sufficient to do anything adequate. In these circumstances, the rate of interest must be enhanced.

Dewan.—Will be considered in regard to future endowments or temporary endowments when they are renewed. Nothing can be done in regard to endowments which have been offered permanently at a fixed rate of interest, as Government have already made permanent arrangements in regard to them.

Mr. Puttappa.—We pray that previous endowments should also be favourably considered.

Mr. M. Subbiah.—Government invest the Endowment Funds elsewhere and earn more favourable rates of interest. They should not therefore grudge paying a good rate of interest on endowments.

Mr. Ananthaiya.—We have to view this case from the point of view of equity and good conscience. If Government have lost anything by the transaction or are losing, then we have no right to press the

request further. On the other hand, if Government are making a profit by these investments, then, we have a right to demand better terms. In the present instance, it appears that permanent endowments are invested under a definite contract. If by allowing more interest on these investments, Government lose appreciably, then there may be no case made out for giving enhanced interest on such investments. But in the case of other investments which are not of a permanent nature, it should be possible to allow more interest say at least 5 or 5½ per cent.

Chief Secretary to Government.—Some endowment moneys are invested in the Government of India bonds fetching 3½ per cent. Their price is now depreciated and it is not possible to allow current rate of interest on such endowments without incurring loss.

Mr. Narayana Setty.—It is the duty of Government to encourage charities. There are a large number of endowments founded in different parts of the country for various objects. For instance, there is one near Harihar under which, there should be 3 *santarpanes* annually in the temple. I am a Dharmadarsi there and a proposal was put forward to reduce the *santarpanes* by one as it was impossible to have all the three on account of adverse circumstances consequent on high prices and less income from the endowment. This is an ugly state of things. In a Hindu State like Mysore, such a thing should not be allowed to occur and every help should be given to the people to found charities and carry them on unimpaired for all time. This cannot be done unless Government allow more interest on endowments.

Mr. K. T. Seshaiya.—The state of public feeling in the matter is evident from the number of people that speak in one voice in favour of the request.

Ours is an Aryan Government and Dharma is everything to us. Our duty is to perpetuate Dharma unmindful of either the cost or the return. If Government cannot give more interest, let them at least return the money for being invested elsewhere at a more favourable rate of interest. The matter should be viewed more sympathetically and the original objects the donors had in view in founding the charities should be religiously respected.

Mr. Purushotham Anandagiri Gosayi.—From the fact of a reference being made in the Dewan's Speech to the institution of a Muzrai Fund out of the surplus amounts attached to Muzrai institutions, it

is clear that some considerable weight is attached to the subject. While so much interest is taken by Government in the matter of Muzrai Institutions, it is too much to expect from them some help for the maintenance of the charities founded by worthy donors in the past, by way of allowing the current rate of interest on such endowments instead of the existing low rate ?

Dewan.—We shall consider the subject carefully and issue needful orders.

REVENUE.

LAND REVENUE.

(*Nos. 7 to 46.*)

SUBJECT NO. 7.

Increase of *potgi* to village officers.

Messrs. (1) M. Subbiah, Magadi Taluk and D. S. Hanumantha Rao, Devanhalli Taluk; (2) Ramappa and Gopalappa, Challakere Taluk nd Gopalaiya, Holalkere Municipality; (3) Srikantaiya, lur Sub-Taluk; (4) Kesaiah and Mallegowda, Chikagalur Taluk and (5) Halppa, Channagiri Taluk, S. eetharamaiya, Shimoga Taik, Nadig Bhaskara Rao and akshman Rao, Sorab Taluk.

Mr. M. Subbiah.—Special increases have been given to all officials of Government in other departments while nothing has been done for the Shanbhogs and Patels. Their remuneration should be suitably increased if they are to work whole-heartedly.

Mr. S. Seetharamaiya.—It is admitted on all hands that the amount of remuneration paid to Patels and Shanbhogs is extremely low. Their *potgi* is scarcely sufficient to meet their ordinary wants and on our repeated representations for its increase, Government were pleased to say last year that they would favourably consider the matter. In the meantime, every other official in other departments of Government has been given an increase while these hard-worked officials are left severely alone. Village accounts will show that, under the present system of *potgi*, the Shanbhogs can hardly get on an average more than 8 or 10 rupees. The present rate was fixed many years ago when the cost of living was very cheap and the country was very prosperous. But now everything is changed and it is impossible for Shanbhogs to eke out a living with the amount of *potgi* they receive. This long standing grievance should be redressed and very early orders should be passed increasing the *potgi* of Shanbhogs and Patels.

Mr. D. S. Hanumantha Rao.—At the rate fixed at present, the Shanbhogs cannot get an adequate return for their services. *Potgi* is now computed on a graduated scale, the percentage being smaller as the amount of collection increases. If it is given on the percentage basis at all, it must be calculated on every hundred rupees collected irrespective of the aggregate amount of collection. These officers have to do all kinds of work. They are to answer for everything in the village. But they get very little for their work.